DECEMBER 23, 1963

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FRANCE RECLAIMS ITS FARMLANDS

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AGRICULTURE IN USSR'S NEW CHEMICAL PROGRAM

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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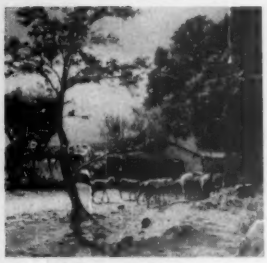

Flock of sheep trail homeward, Burgundy. Here in eastern France large-scale reclamation is going on to put land back into productive use. (Story on page 4.)

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CEMA Plans New Bank To Assist Bloc Trade

By THEODORA MILLS
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The Eastern Bloc's first international bank is to open its doors in Moscow on New Year's Day, 1964. An agreement signed October 22 by the 8 member countries of the Council of Mutual Economic Assistance (CEMA) established the International Bank of Economic Cooperation. This new bank is designed to assist the Soviet Union, Bulgaria, Czechoslovakia, East Germany, Hungary, Mongolia, Poland, and Rumania in multilateral, instead of bilateral, settlement of their trade. The accounting unit will be a ruble of the same gold content as the official Soviet ruble.

This is not the first multilateral payment agreement the CEMA countries have entered into. In 1957, there was such an agreement, though it was limited to the small amount of trade—primarily in consumer goods—carried on outside of the annual bilateral trade agreements. Reports from Bloc countries state, however, that multilateral settlements under that agreement have been used very little. Why then was a new and much broader agreement signed? And what difficulties does this new bank face?

Bilateral vs. multilateral trade

Bilateralism in trade, as CEMA planners have long recognized, limits trade between two countries to amounts which balance evenly. For instance, an agricultural country's imports from an industrial country would be governed not by its demand for industrial products but by the amount of agricultural goods the industrial country was willing to accept in exchange for these products. The same thing would be true of the industrial country's agricultural imports under the agreement.

The inclusion of just one more country, forming a trilateral agreement, may expand trade, for the balance of exports and imports now applies to the three countries as a whole, and imbalances can exist between any two. The greater the number of countries that agree on mutually acceptable means of payment, the easier it is to trade and the more likely it is that trade will increase.

Discussions in the Communist, especially the satellite, press have mentioned the difficulties of establishing a central CEMA bank to facilitate multilateral trade within CEMA, but have avoided mentioning some of the most fundamental. One of these is the comparatively low value the Communists place on foreign trade. From the Communist point of view, not only is trade with the non-Communist world of marginal economic significance, but even intra-Bloc trade ranks below the attainment of national industrialization and economic self-sufficiency. The appeal that these more urgent goals make to national interests, quite as much as to Communist aspirations, has built contradictions into an intra-Bloc organization like CEMA.

One difficulty lying in the path of the new bank does receive consideration in the Bloc press. This is economic planning. Planned foreign trade, of course, can include multilateralism in payments, but this means that the plans for every country must be adjusted with the plans for every other country, and thus planning is far more complicated for multilateral than for bilateral trade.

But the major difficulty facing the new bank and trading system is that of prices. Prices in intra-Bloc trade are primarily based on Free World prices. Some reports indicate that with the opening of the new bank the base for these world prices will be changed from 1958 to 1957-61. This change may help adjust prices among countries and traded commodities, but it will not solve the basic problem.

This problem stems from the fact that each Bloc country has at least three unrelated sets of prices—Free World prices in Bloc trade, prices to consumers, and prices to producers. Domestic prices do not reflect the scarcity relationships within and among Bloc countries but are fixed by government decree, to accomplish policy objectives. This multiplicity of prices leads to mad confusion in attempts to plan production efficiently within Bloc countries and among them. And foreign trade too, even intra-Bloc trade, can only be planned efficiently when there exists some means of comparing costs. Neither the planned change in intra-Bloc trade prices nor the establishment of a convertible ruble within the Bloc seems to offer a ready means of cost comparisons.

Credits to ease agricultural trading

Under the existing bilateralism, an automatic credit system adjusted imbalances that occurred in trade between an agricultural country, which ships its exports principally in the second half of the year, and an industrial country, which can spread its exports more evenly. With multilateralism, the bank would have to supply these credits, and the agreement calls upon it to do just this.

The agreement also allows the bank to hold gold, convertible currencies, and other foreign exchange deposited by member countries. The use of the new bank by these deposits would threaten to collectivize Bloc foreign trade with the Free World. In discussions of the bank, such an extension of its activities has been mentioned only as a future possibility and has been accompanied by reminders of the continued need for national banks.

National rights would appear to be protected; each member country is to have one vote irrespective of the size of its capital investment in the bank. However, the economic weight of the Soviet Union may prevail.

Multilateralism in intra-Bloc trade would be a major advance in Bloc economic integration. The difficulties, however, may be insurmountable. The date for opening the bank may be 20 years too early.

A French farmer proudly displays his young lambs. His flock pastures on land cleared of scrub and brush by SAFER, a reclamation company.

France Reclaims Its Depressed Farmlands

By PAUL E. QUINTUS
U.S. Agricultural Attaché, Paris

France, the major agricultural producer in the Common Market, has been giving increased attention to its depressed agricultural areas since the end of the Second World War. Taking the Tennessee Valley Authority as a model for organization, it has been forming large-scale, semi-public companies for rural reclamation and development. The government provides financing and legislative support. Central direction rests with the Ministry of Agriculture.

Seven of these companies are now at work in rural France. They are called the Societe d'Amengement Fonciers et d'Equipment Rural or "SAFER." Like all the others, the SAFER operating in eastern France is tackling the job of reclaiming and putting into economic use abandoned farmlands which over the years have become covered with a dense growth of brush and more or less worthless trees.

Depressed agriculturally, eastern France is a large relatively homogeneous area of 16 departments circumscribed by the Nord department and the regions of Paris, Lorraine, and Lyon. The existence of abandoned farmland in this area is remarkable and extensive. SAFER surveys are the first scientific, careful studies of the region's land usage and problems.

Causes of abandonment

There are a number of interrelated reasons for this large-scale abandonment. Basically, however, the exaggerated division of land into smaller and smaller parcels by Napoleonic inheritance laws sets the stage for later abandonment. The proliferation of ownership of these agricultural lands literally defies the imagination. Plot maps of the areas surrounding the villages in eastern France resemble the subdivision of land that is made for residential building lots.

In typical areas, units of about 250 acres (100 hectares), are divided into 1,000 individual parcels which are owned, on the average, by 100 proprietors. By the nature of the division made under the inheritance laws, these parcels tend to be elongated in shape. The holdings of one individual are often scattered over large areas.

Technical reasons explain why some farmlands were abandoned. One is the generally low productivity of the soil as a result of former poor cultural practices. Fertile valley soils were not properly used, and slopes formerly tilled by manual labor became inaccessible to modern mechanization and were therefore abandoned.

Economic reasons also figure. Important among these was the diminishing value of the vineyards in the area. Eastern France formerly produced large quantities of poor-quality wines for local consumption. Development of better vineyards in other regions and new transportation facilities led to the abandonment of large numbers of eastern vineyards.

There was also a sharp decline in fruit production; many orchards in the area no longer produced fruit meeting the present high quality standards obtained elsewhere in France. Grain production also dropped. Grain yields were higher in other regions, so many eastern grain farming operations were discontinued. Sheep breeding declined because of competition from imported wool, poor selection of flocks, and poor organization of the domestic market for lamb and mutton.

Social reasons other than those arising directly out of the inheritance laws share the responsibility. Peak exodus from the land occurred during and after the First World War, which not only destroyed villages and much agricultural land in eastern France, but sharply reduced the male population of the area. In many cases the heirs moved to the nearest industrial towns, completely abandoning their limited agricultural holdings.

While all the causes for abandonment are closely interrelated, it is probably true that the technical and economic causes could, and would, have been overcome if the social causes were not so deep-rooted. The social causes, particularly the decrease in population and the subdivision of land into extremely small parcels, effectively prevented

reconversion of land into productive agricultural uses by normal processes.

Surveys come first

Since its creation, SAFER has surveyed most of the derelict land in the zone covered by the project. Survey results for each "commune" have been recorded on a scale map which shows all the productive and abandoned land classified as to type, use, and condition.

These surveys show that over 1 million acres of former agricultural lands in eastern France have reverted to scrub and brush and another million are in valueless woodlands. In other words, about 2 million acres, or 13 percent of the area, produces nothing of commercial value.

The surveys and related studies also show that abandonment of the land spreads like a contagious disease. Once it sets in, the process goes on until whole communities are virtually deserted. Not that this happened overnight. The process has been going on for 150 years. This span of time explains in a large way the size and density of the brush and scrub that must be removed if land is to be reclaimed for productive agricultural use.

Acquiring land

Once the surveys are completed and a determination made to reclaim an area, SAFER must acquire rights to all the land in the project before reclamation is begun. This means negotiating with the 100 or more owners of all types—individuals, estates, and institutions—for each 100 hectares. This is difficult and time-consuming. It is often difficult to find the actual owners once they have been identified. Not all are living in France. Some are located in Africa and other parts of the world.

The plan calls for outright purchase of the land or for 30-year lease arrangements. The choice is left to the owner. The Society also has legal authority to pre-empt land but it has preferred to use the "cooperative" approach and has done so with good results.

The land is purchased or leased in relation to its estimated reclaimed value, less the estimated cost of such reclamation. Reclamation costs include removing scrub and brush, and preparing the land for cultivation. Usually, it is cleared foot by foot with heavy equipment, and plowed, disced, and seeded to the best adapted pasture grasses. The clearing is done by private firms under subcontract with SAFER and the cost has varied from as low as $60 to as much as $360 per 2½ acres (1 hectare) for thick brushwood.

This means purchase prices range from $40 to $160 per hectare. The 30-year leases are worked out on the same or similar valuation basis except that only a nominal rent is paid for the first 3 years. This feature protects the Society against low return in the first years after reclamation and also induces more owners to make outright sales.

Generally speaking, SAFER does not undertake a reclamation project unless there is a possibility of regrouping small parcels into farms of from 50 to 250 hectares.

Reclamation progress

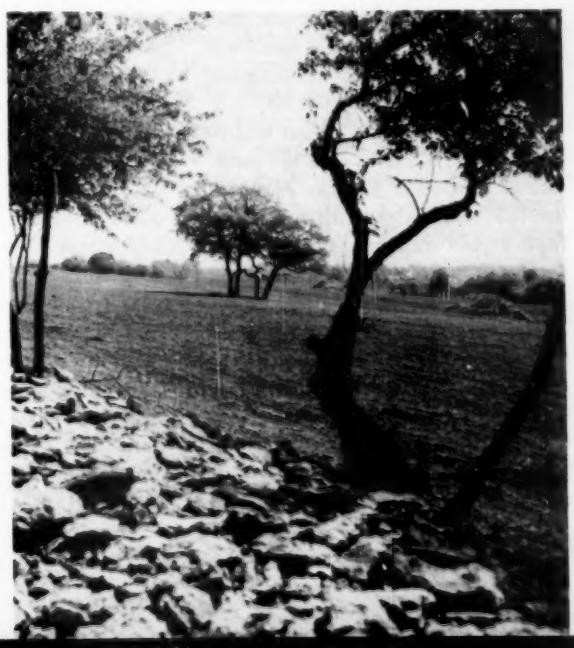
Following the general surveys, the next step calls for precise, detailed, on-the-spot studies of soil types, topography, and other factors affecting the productivity of the land for agricultural forestry, or recreational purposes. Such analyses were completed for seven "communes" by the fall of 1963 in Aube, Cote d'Or, Haute-Marne, Meuse, Haute-Saone, and Yonne departments.

Scientific planning of the reclamation process follows. Some of the land will remain in forests, another relatively small percentage may be earmarked for continued idleness because it is predominantly rocky, or steep, or otherwise not suited for reclamation. The agricultural uses of the land must also be determined for each area—whether for pastures, vineyards, or cultivated crops.

(Continued on page 6)

An abandoned farm has reverted to scrub. Valueless trees like these cover over 1 million acres in eastern France.

Cleared land is ready for crops. Remaining brush serves as shade; stones are piled to ease way for farm machines.



Norway To Import Less Feed Grains More Fruits and Soybeans in 1963-64

Norway, which ordinarily imports 15 percent of the food it needs, this year (1963-64) will be buying less from foreign sources.

Feed grains will account for most of the decrease, owing to a bumper Norwegian crop—140,000 metric tons above that for last year—which cut import requirements drastically. The outlook is good, however, for fruits and soybeans — all of which come mainly from the United States and which will help to keep the U.S. share of the Norwegian market at about last year's level.

Feed grain imports expected to suffer the most are *barley, oats,* and *grain sorghums.* Barley will be down from 66,123 metric tons in 1962-63 to 23,000. None will come from the United States. No imports of *oats* or grain sorghums are expected, although, last year, Norway took 97,662 metric tons of grain sorghums (all from the United States) and 8,515 of oats.

Corn and *rye* are the only feed grains that will be imported in larger quantities. Imports of corn should total about 90,000 metric tons compared with 83,051 in 1962-63; practically all will come from the United States. Rye purchases are set at 50,000 metric tons compared with 47,000. Since other traditional sources are unable to offer sufficient quantities of acceptable quality this season, most of the rye—40,000 metric tons—will come from the United States compared with nearly 29,000 in 1962-63.

Norway's imports of wheat will be down slightly—from 367,780 metric tons in 1962-63 to 325,000. However, the U.S. share is expected to increase from 40,185 metric tons to 100,000, owing to the failure of the USSR wheat crop.

Imports of protein feeds (oilseeds cake and meal), at about 130,000 metric tons, will be only slightly lower than in 1962-63, but there will be a big drop in those from the United States. Imports of *soybean meal,* all of which normally come from the United States, will be down from 42,725 metric tons in 1962-63 to 10,000, and those of *cottonseed* meal from 31,325 to 30,000. The U.S. share of cottonseed meal imports is set at 15,000 metric tons compared with 24,181 in 1962-63.

Sales of *milled rice* to Norway are still hampered by Norwegian import restrictions. This year they are expected to total 6,000 metric tons, with 2,000 from the United States. As in the past, a global quota of 200,000 kroner ($28,000) will be distributed; however, many imports do not make use of their quotas. *Pre-cooked rice,* which previously was imported free of restriction but under a customs classification, is now subject to import licensing.

Probably the most promising area for expansion of U.S. sales is *canned fruits,* particularly peaches, pineapple, and fruit cocktail. In 1962-63 alone, Norway's imports of canned fruit — pineapple, apricots, peaches and fruit cocktail — increased by 58 percent; more than four–fifths were from the United States. The forecast is for Norway to import 4,000 metric tons of canned peaches, 2,600 of canned pineapple, and 1,400 of fruit cocktail in 1963-64 compared with 3,612, 2,322, and 1,271 in 1962-63.

Imports of *prunes and raisins* should also rise. U.S. market development activities have helped to increase Norwegian prune imports from 1,923 in 1960-61 to 2,428 in 1962-63; for 1963-64 they are placed at 2,500. Lower prices are expected to help raisin imports, which are forecast at 3,500 metric tons compared with 3,200 in 1962-63. The United States will supply about half of these.

A small but good-quality Norwegian *apple* and *pear crop* points to the possibility of an earlier opening of the free import season than last year's. This should greatly increase U.S. chances of exports to Norway. At least 4,000 metric tons of apples will probably be shipped to that country from the United States, with the possibility of as much as 6,000-7,000 metric tons if prices are competitive.

Norway's only other major fruit import from the United States is lemons. The strong U.S. position in the Norwegian lemon markets seems unthreatened, and this country will supply more than four-fifths of the estimated 2,300 tons of lemons to be imported.

The Norwegian market for U.S. soybeans is rising, in line with the upward trend in Norwegian consumption of soybean oil. Total imports in 1963-64 will probably exceed 90,000 metric tons compared with a little more than 80,000 in 1962-63. All soybean imports come from the United States.

No change is expected in Norwegian imports of *cotton* and *tobacco.* More than one-half of the 4,000 metric tons of cotton and probably two-thirds of the 6,000 of tobacco to be imported in 1963-64 are expected to be supplied by the United States.

France Reclaims Its Farmlands

(Continued from page 5)

There are now about 6,175 acres either reclaimed or in advanced stages of reclamation. Of this, about 2,000 acres have been retained for experimental purposes, and 825 acres have been reconveyed to existing farms to permit them to operate as economic family-sized units. The remainder is usually grouped into new farms of varying sizes depending on the soil types and the new uses planned for the land.

This reclamation activity is scheduled to progress at the rate of roughly 4,000 acres per year. This does not make much of a dent in the over 1 million acres that need attention, but SAFER nevertheless looks upon it as important progress.

Reclamation has demonstrated its feasibility, though it is slow and costly. With its earlier activity and accomplishments drawing more and more attention, SAFER believes that private enterprise will take up land reclamation, and that existing farmers will enlarge their holdings by buying and clearing parcels of land adjacent to their present fields. If this happens reclamation may prove to be as contagious as abandonment.

USSR Plans An Enormous Chemical Industry

Soviet Premier Khrushchev foresees big gains in agricultural output, particularly grains and livestock, through larger fertilizer supplies.

In his address before the opening session of the Soviet Communist Party plenary meeting in Moscow on December 9, Premier Khrushchev announced a vast investment program for the country's chemical industry. Excerpts from his speech pertaining to fertilizer supplies and agricultural goals—without comment or appraisal—follow:

"In working out measures for accelerated development of the chemical industry, we are taking a new and major step toward the upsurge of the national economy as a whole and, in particular, in such vitally important branches as agriculture and the production of consumer goods.

"In the next 7 years approximately 200 (chemical) enterprises will have to be built, and over 500 enterprises now working will have to be rebuilt. More than 25 billion rubles (1 ruble = $1.01) will have to be spent for this purpose. It is planned to invest about 1.5 billion rubles for the development of chemical machine-building. About 3 billion rubles will have to be spent on building depots for the production of polyethylene containers, and for the manufacture of machines for spreading fertilizers.

"In fact, the total sum of capital investments in the development of the chemical industry and the integrated application of chemicals in agriculture will reach over 42 billion rubles, including expenditure connected with the introduction of chemicals into agriculture, which alone will total approximately 10.5 billion rubles.

"Chemistry is a mighty means for the development of agricultural production. It will not be an exaggeration to say that, along with mechanization, the introduction of chemistry means a revolution in agriculture. It opens the way for the attainment of maximum labor productivity. Also, a wide-scale use of fertilizers and the development of irrigation make it possible to guarantee the attainment in many areas of high and stable yields of grain and industrial raw materials.

Higher consumption levels seen

"According to the estimate of the Central Statistical Administration, by January 1, 1964, the population of our country will amount to over 226 million people; by the end of 1970 it will be about 250 million, and by the end of 1980 the family of the Soviet peoples will amount to about 280 million.

"Of course, we must do all that is necessary to amply supply the country with products and consumer goods, to give our people an opportunity to make use of the benefits of communist society. How many products and what kind will the Soviet State need?

"When determining the country's needs in agricultural produce we do not, of course, proceed from the population's present-day level of consumption per capita. Our calculations are based on norms recommended by scientific research establishments. These norms envisage a considerable increase in the consumption of meat, milk, eggs, vegetables, fruit, and other produce. At the same time, the consumption of bread will naturally fall. After taking into account the satisfaction of all the State's needs, the following quantities of foodstuffs will have to be produced:

Grains: In 1970, 14 to 16 billion poods (a pood is 36.1 pounds); in 1980, 18 to 19 billion poods.

Meat, dressed-weight: In 1970, 20 to 25 million tons; in 1980, 30 to 32 million tons.

Milk: In 1970, 115 to 135 million tons; in 1980, 170 to 180 million tons.

Sugar: In 1970, 10 million tons; in 1980, 12 million tons.

Grain the key crop

"The production of all, or almost all, agricultural products is directly connected with the development of grain-sowing. Given grain, we shall also have meat, milk, and other produce.

"When drawing up the grain balance sheet, we must not only take into consideration the cereals which are grown for food but also bear in mind the provision of ample supplies of concentrates for livestock breeding. In this respect serious mistakes have been made in the recent past. The first commandment has been to supply bread grain; the second commandment was for seeds. But providing feed for livestock was not even mentioned.

"We all understand that, unless the needed quantity of concentrated fodder is produced, all our calculations in stockbreeding will be found to be no more than pious wishes. Concentrated fodder for livestock breeding is, in fact, the main item of expenditure in the grain balance sheet. Along with the grain we need for food supplies and for cattle fodder, we also need a certain amount of bread grain to satisfy other needs of the State—industrial processing of grain, replenishing the stocks, export, and so forth.

"The questions of increasing grain output were raised urgently as far back as 1953. But at that time we could not insure full satisfaction of all the needs for grain. We were unable to supply to agriculture the needed quantity of mineral fertilizers, without which the collective and state farms could not raise harvests to a level sufficiently high to guarantee the production of enough grain.

"As a first step, the Party set the task of expanded acreage of grain. We were able literally, in a year or two after the start of the virgin-land reclamation, to change the position of the country's bread supplies substantially and improve the supply of food, which in the long run played an exceptional role in the development of the Soviet economy as a whole. In recent years, except for the exceptionally drought-ridden year of 1963, we had an annual gross grain crop over 3 billion poods more than during the period preceding the September plenum of the Central Committee.

New path ahead

"Can one continue, in the development of agriculture, to follow the road of expansion of the sown areas?

"Obviously, in the future we will not be able to follow such a path. We have enormous opportunities for extending the areas under plantings, but in order to make these lands suitable, very large sums will have to be spent on draining and on clearing them of boulders, bushes, and so forth. It is more profitable to divert these funds to the development of chemistry and the production of mineral fertilizer. The Soviet country now has real opportunities for agriculture to follow the path of intensified development—of increasing grain production per hectare of plowlands by considerably increasing crop yields.

"Intensification is a basic question in the development of agriculture. What does it mean, if instead of growing 10 quintals of grain, one grows 20-30 quintals per hectare? It means doubling or trebling labor productivity, and this is for us the most important principal fact, both in the sphere of industry and in the sphere of agriculture. From these positions I should like to examine the concrete tasks facing agriculture and the outlook for our development.

"As has already been stated, we must raise production of grain in the next few years to 14-16 billion poods. Proceeding from a yield of 10 quintals per hectare, in order to produce this quantity of grain one would have to sow grain crops on 233 million hectares. Another 9 million hectares of land would have to be found.

"As the saying goes, the pencil should be invited to speak. With a crop of 10 quintals per hectare, 233 million acres would have to be sown. With a harvest yield of 20 quintals, 118 million hectares would have to be sown; with 25 quintals, 93 million hectares; and with 30 quintals, 77 million hectares.

"What does this mean in economics? With a harvest yield of 10 quintals per hectare . . . total expenses for 233 million hectares are 12 billion rubles. With a harvest yield of 30 quintals per hectare . . . expenses for the 77 million hectares will be 5.4 billion rubles. Consequently, expenditure for the cultivation of grain crops when the harvest yield is 30 quintals per hectare effects a saving of 6.6 billion rubles.

More effective distribution needed

"We are discussing a great program for the growth of the production of mineral fertilizers. Several years will be required for its implementation. But even now our country produces a considerable quantity of fertilizers. In 1963, 15.9 million tons have been set aside for agriculture, and in 1964 collective and state farms will receive approximately 22 million tons. Of course, this is insufficient from the standpoint of the full satisfaction of agriculture's requirements, but this is not too little to obtain an additional yield increment. Therefore the task of a more effective utilization of fertilizers is now one of the important ones in the struggle to increase production of grain and other agricultural products.

"Unfortunately, an incorrect situation in the distribution of mineral fertilizers—giving a little to everybody—has developed among us. It is necessary to put an end to this practice as soon as possible.

"A full quota of mineral fertilizers must be allocated for industrial crops. One must think about how to efficiently distribute the 10 million tons of fertilizers to be allocated for grain crops in 1964, including 7 million tons for the 1964 harvest.

"Obviously, fertilizers must be sent to the rayons where the best results can be achieved—the north Caucasus and the central black-soil oblasts of the Russian Federation, the wooded-steppe rayons of the Ukraine, as well as to the other Republics where there will be a high yield from the use of fertilizers. If we display great organizing ability and diligence, and exploit the fertilizers for the grain crops in the more favorable rayons, then even by next year the country will see a great increase.

Comparison with U.S.

"We are seriously lagging in the production of mineral fertilizers, and from this arises the lag in the yield of agricultural produce per hectare of arable land. If the United States, for instance, is presently ahead of us in the output of agricultural produce, there is no special wisdom in it. The high level of harvest there is due to the fact that in 1962 in America 36.5 million tons of mineral fertilizers were applied to 118 million hectares of crops. And in our country only 17.3 million tons of fertilizers were applied to 216 million hectares of crops. The United States applied 229 kilograms of fertilizers per hectare of plowland, while we applied 62 kilograms.

"The question arises—why is it that our country has lagged behind so seriously in the development of agricultural chemistry. The main cause is, of course, that we did not have the essential material resources to place the production of mineral fertilizers on a level with the development of other important branches of industry but that is not the only cause.

"In our country we adopted the grasslands system of agriculture, which in fact denied the effectiveness of mineral fertilizers. The grassland system was built on the assumption that reconstruction of fertility in the soil was achieved by means of perpetual grasses. In the so-called plan for the transformation of nature, which was adopted in 1948, everything was reduced to grasses and field protection forest belts; and this disregard for chemistry continued right up to 1953."

These women are watching as a nutritionist in a "kitchen car" demonstrates new ways to use shoyu, or soy sauce—a soybean food famed in Asia.

By CLYDE KEATON
Assistant Agricultural Attaché
Tokyo, Japan

Japan—An Expanding Market for Soybeans

Economic growth and larger incomes have brought a steady increase in Japanese demand for soybeans in all forms, and this increase is expected to continue. U.S. soybeans and their products hold first place in this active market, with the Japanese buying more soybeans from the United States every year. The U.S. share of total Japanese soybean imports, however, has somewhat declined since 1960, reflecting Japan's resumption of trade with Communist China and improved crops on the Mainland.

The Japanese soybean crop provides only about 20 percent of the 1.7 million metric tons required; the rest must be imported. Imports have been increasing at about 10 percent a year, and for 1963 they are expected to total about 1.4 million metric tons—7 percent above 1962's and about double 1956's. They account for over two-thirds of Japan's total oilseed imports.

More oil and meal

Of total commercial utilization of soybeans in Japan, about 19 percent goes into the manufacture of tofu (bean curd) and 8 percent into miso (soy paste). Largest user, however, is the soybean crushing industry, which takes about 67 percent of the total—and most of the American beans—for the production of oil and meal.

Soybean oil accounts for about 31 percent of per capita fats and oils consumption in Japan. Though still low by Western standards, Japanese intake of fats and oils is on the way up. In 1951, it was less than 4 pounds; in 1960 it rose to 10.2; in 1963, to 12.9.

Use of soybean meal has soared rapidly in recent years with the striking development of Japan's livestock industry. Poultry feed accounts for about 80 percent of the soybean meal used, and hog and cattle feed for the rest. So vigorous is demand that during 1962 about 16,000 tons of soybean meal had to be imported (6,000 from the United States) to stabilize domestic prices, which had risen sharply. Imports during the current Japanese fiscal year (ending next March) may reach 30,000 tons.

Competition lively

Japan's soybean imports from Communist China rose from 165,000 in 1962 to 220,000 in 1963. For 1964, they are forecast at 300,000, and some trade sources predict about 500,000 in the next few years. Having stopped soybean shipments to the USSR, Communist China will probably try to sell much more to Japan.

Price is a major factor in soybean sales to Japan. The Communist Chinese Government has been pricing Chinese beans below those of the United States as an inducement to Japanese buyers; it can set prices at any level to move the desired quantity of beans into the Japanese market. This puts U.S. exporters at a disadvantage.

During the past few years most Chinese beans have been used for miso production, and in 1962, when Japan signed its 5-year agreement to import 150,000 tons of Chinese soybeans annually, the miso industry was the only group represented in Peking. During the October-November negotiations this year, however, Japan's soybean crushing industry also sent representatives to China, on reports that this year's beans were cleaner and had a higher oil content than previous crops. These representatives were instrumental in increasing Japan's takings for the second year of the agreement.

Japan's Ministry of Agriculture and Forestry has proposed that on October 1, 1964, soybean oil and meal be liberalized and the import duty on soybeans be abolished. This plan is expected to be approved, perhaps with some modification. When it goes into effect, it will bring a decrease in the domestic prices of all soybean products. This could lead to an increase in consumption for both soybean oil and soybean meal, and if demand exceeds Japanese crushing capacity, perhaps increased imports.

Holiday Promotion of U.S. Poultry Nears High Point of 4-Month Overseas Campaign

Holiday promotion of U.S. poultry overseas gathers momentum this week as consumers in Western Europe and the Far East are given last-minute reminders to "think poultry" for their holiday menus.

Since early fall, the U.S. poultry industry's International Trade Development Committee, in cooperation with FAS, has stressed promotion of poultry for the holidays wherever year-round U.S. market development programs are in effect. At the same time, the campaign pushes U.S. chickens and turkeys as being economical dishes any time of year.

Focal points for seasonal promotion are the five overseas headquarters of U.S. market development located in Frankfurt, Rotterdam, Madrid, and Rome. Nearby countries such as Switzerland, Austria, and Belgium have been targets for promotion.

The holiday campaign has utilized virtually every market development technique, from mass advertising aimed at consumers to special demonstrations before select retail buyers.

In the Netherlands, for example, U.S. turkey took to the air where, for the past few weeks, the country's only commercial radio station has regularly broadcast a jingle about turkey, as the typical Christmas gift.

In areas where home ovens are too small for whole turkeys, trained chefs and butchers demonstrate to meat retailers how to cut and debone poultry to be sold as poultry parts. In-store cooking and serving demonstrations are presented for groups of chefs, retailers, home economists, food magazine editors, and homemakers. Being shown throughout the holidays in Switzerland is a television film on turkey carving.

Commercial firms have been urged to give American turkeys to employees as part of Christmas packages. In Italy, for example, one large firm ordered 500 birds. The Rome ITDC office furnishes decorative wrapping paper and cooking instructions.

A sizable part of the campaign budget has gone for newspaper and magazine advertising. In the Netherlands, important hotel and restaurant trade journals carried during the fall testimonials by prominent chefs advising readers to serve turkey for Thanksgiving and Christmas. The 1963 edition of *Handig Huisouden,* serving Dutch science teachers, had a three-page ad on turkey and turkey recipes.

In Germany, newspaper ads show turkey being carved, with a reminder to consumers to order their turkeys early. A four-page color insert in this month's German edition of *Reader's Digest* describes recipes using American chicken and turkey.

For the first time in Japan, a program to boost consumption of all poultry has been beamed at consumers through newspaper advertising in the country's major cities. Reprints—and notice of the upcoming holiday promotion—went out to poultry retailers.

In every country, the poultry industry has supplied kits of merchandising aids to retail stores, butchers, and caterers—including such material as window posters and color slides for use in motion picture advertising. For example, 400,000 Christmas turkey recipe folders in Dutch, Flemish, and French have been produced in cooperation with two food editors of leading Dutch ladies' journals.

Good Demand for U.S. Frozen Poultry in Egypt

U.S. frozen poultry is catching on so well in Egypt that the country in 1 year has taken the 2,100 tons originally programmed for 3 years under Title I of P.L. 480. Indications of a future cash market in Egypt for U.S. poultry are seen in reports from managers of cooperative stores who say they could move three to five times their present sales if enough poultry were available.

Two years ago, the poultry industry's International Trade Development Committee — working with FAS and the Egyptian Government — started telling the Egyptian people about U.S. frozen poultry through demonstrations, motion pictures, and television features stressing wholesomeness and ease of preparation.

WHEAT ASSOCIATES BOOTH AT JAPANESE COUNTY FAIR *recently introduced thousands of country people to pancakes made with U.S. wheat.*

Communist China Buying More Grain

If current negotiations by Communist China are successful, 1964 could be its fourth straight year of grain purchases exceeding 3 million tons.

The Chinese completed talks with Australia on November 27, 1963, for 1.1 million metric tons of wheat. Now underway are negotiations with Canada for the second installment of wheat under the 3-year agreement signed last August. The amount is unknown, but of the 3-5 million tons Canada was to ship between August 1963 and August 1966, 500,000 tons were to be delivered by January 31, 1964. In the light of their disappointing 1963 grain crops, the Chinese are likely to ask for large amounts of Canadian grain for delivery before June 1964, since January-June is the period when food shortages usually occur in China.

Also undisclosed are the amounts of grain involved in negotiations the Chinese are now carrying on with other countries; these included France, Argentina, and Mexico.

Thai Rice Prices Decline

Thai prices of milled and broken rice have continued to decline below the seasonal peak of July 1963, with best-quality rice showing the biggest drop.

New crop milled, 100-percent whole, was quoted on December 2 at $6.09 per hundredweight, compared with $7.31 on July 15 for the previous crop. A-1 superbrokens were $4.63 per hundredweight compared with $5.21 on July 15.

Prices are expected to firm in coming weeks as rice under contract is shipped to Indonesia and Ceylon.

THAILAND'S AVERAGE RICE EXPORT PRICES, F.O.B. BANGKOK,[1] SELECTED DAYS, OCT.-DEC., 1961-63

Date	White rice		White broken A-super	Cargo
	100-percent first grade	10-percent broken		100-percent first grade
	Dol.	*Dol.*	*Dol.*	*Dol.*
1961:	*per cwt.*	*per cwt.*	*per cwt.*	*per cwt.*
Oct. 16	6.89	6.12	4.47	5.68
Nov. 13	[2] 7.34	—	4.79	—
	[3] 6.77	6.32	4.72	5.75
Dec. 18	6.63	6.12	4.75	5.86
1962:				
Oct. 19	[2] 7.75	7.34	5.21	6.99
	[3] 7.28	—	4.83	6.10
Nov. 16	[2] 7.69	6.99	4.70	—
	[3] 7.12	—	—	5.91
Dec. 14	6.36	5.75	4.07	5.47
1963:				
Oct. 15	7.08	6.57	4.89	6.09
Nov. 18	[2] 6.95	6.09	4.70	5.84
	[3] 6.28	—	—	—
Nov. 25	[2] 6.85	6.03	4.70	5.77
	[3] 6.15	—	—	—
Dec. 2	[2] 6.78	5.96	4.63	5.74
	[3] 6.09	—	—	—

[1] Milled rice. Includes export premium, export tax, and cost of bags. Packed in bags of 100 kg. (220.46 lb.) net. [2] Old crop. [3] New crop.

First Sizable Mexican Wheat Exports

The Mexican press reports that the Government of Mexico has sold 440,000 metric tons of wheat for export—destination, Europe and the Far East, value $26.8 million. Of this quantity, 320,000 tons will come from the 1962-63 crop and 120,000 from the 1963-64 crop, which is now being planted and will be harvested beginning at the end of April 1964. Delivery is to be completed by July 15, 1964.

This is the first time Mexico has exported substantial quantities of wheat, though it has been self-sufficient in wheat production since 1955. The 1962-63 crop of 1,786,000 tons set a record and left a surplus of 382,000 tons (including carryover and export availabilities). With planted area for 1963-64 forecast at nearly 2 million acres, only slightly below that for 1962-63, and with the use of higher yielding varieties, the coming crop may equal or exceed this record.

Israel Imports U.S. Butter

For the first time since 1958, Israel has had to import butter to augment local production. Imports, all from the United States, totaled 1,653,000 pounds. Consumer reaction is reported as favorable, except for some complaints on saltiness.

Israel is also considering importing and has bought 882,000 pounds of nonfat dry milk in addition to the nonfat dry milk being imported under Title I, P.L. 480.

U.K. Ups Butter Import Quota

The British Government recently announced that the butter import quota for April 1963-March 1964 now stands at 990 million pounds, an increase of 116 million over that for the previous year.

During the first 6 months of the current quota period, which ends March 31, 1964, the United Kingdom has received approximately 45 percent (442 million lb.) of the total quantity authorized for importation. However, it is possible that all of the remaining 548 million pounds may not be shipped in the second half of the quota period. Denmark is likely to fall short of its 215-million-pound quota by as much as 22 million pounds, and Poland may be 11 million below its quota (40 million lb.). Because of the significance of the U.K. butter market, all countries will make special efforts to fulfill their authorized quotas.

France Lowers Import Levies on Pork

French import tariffs (variable levies) on hog carcasses and wholesale pork cuts were reduced substantially on December 1, the second reduction since September 2, when the variable levies on pork cuts first became effective (*Foreign Agriculture*, Sept. 30, 1963).

Since September 2, the tariff on fresh or frozen hog carcasses from the United States and other third countries has been reduced from 7.8 to 3.7 cents per pound. The duty on loins has been lowered from 12.1 cents to 5.4 cents. Variable levies on hog carcasses and cuts have also been lowered in other Common Market countries. Shown below are the changes in the French levies for the various pork cuts.

	Effective date		
	Sept. 2	Oct. 1	Dec. 1
Fresh and frozen—	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*
Carcasses	7.8	4.9	3.7
Hams, bone-in	13.0	8.2	6.5
Shoulders, bone-in	8.6	4.9	3.6
Loins	12.1	7.1	5.4
Bellies	7.0	3.5	2.4
Other cuts	13.0	8.0	6.3

France is experiencing a shortage of pork and the United States has been able to ship to that market for the first time in recent years.

Canadian Cattle Exports Drop Sharply

Exports of Canadian cattle to the United States are lagging far behind those of a year earlier. Shipments from Canada between January 1 and November 16, 1963, totaled about 204,400 head, nearly 40 percent less than the large number a year earlier. Feeder cattle comprised over two-thirds of the movement during the first 10½ months of 1963.

The principal reason for the decline has been the sharp drop in U.S. demand. Supplies of feeder cattle in Western Canada have increased this year. With larger stocks of feed grains available in Canada with lower prices. Canadian cattlemen are feeding more cattle. Cattlemen are generally pessimistic about fed cattle prices in 1964. Profits from feeding, however, are still expected to be good because of the lower cost of replacement stock.

Sweden Imports U.S. Veal

A small consignment of high-quality American chilled veal has been air-freighted from New York to Stockholm. These shipments are the first of their kind. Sweden is experiencing a meat shortage, intensified by the ban on imports from Denmark because of that country's outbreak of foot-and-mouth disease.

New Zealand Wool Prices Up Considerably

After the first 8 New Zealand wool auctions of the 1963-64 season, prices have been firmly established at much higher levels than those for a year ago, and are now the highest since 1950-51. In mid-November, prices of predominant crossbred wools were nearly 50 percent above those for a year earlier. At the opening auction at Dunedin on October 9, prices rose 25 percent or more over last year's opening, and subsequent sales have shown increases of about 20 percent.

It is generally believed that prices will level off for the remainder of the season, reflecting what most observers feel is a new level of world wool values. Many dealers are concerned about the possibility that wool may be pricing itself out of the market; however, some think the new level reflects increased optimism over the ability of wool to compete with synthetics.

Australian Meat Moves to the U.S.

Three ships left Australia the third and fourth weeks of November with 10,104,640 pounds of beef, 2,007,040 pounds of mutton, and 107,520 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports			*Pounds*
Northumberland	New York	Dec. 15	Beef	293,440
Nov. 14				
Gladstone	Jacksonville	14	Beef	17,920
Star [2]	Boston	20	Beef	118,720
Nov. 17	New York	22	Beef	228,480
	Philadelphia	29	Beef	44,800
Crystal Sea	New Orleans	(3)	Beef	136,640
Nov. 19	Norfolk	(3)	Beef	123,200
	Charleston	Dec. 14	Beef	114,240
			Mutton	235,200
	Philadelphia	16	Beef	497,280
			Mutton	168,000
			Lamb	85,120
	New York	19	Beef	3,548,160
			Mutton	931,840
	Boston	22	Beef	385,280
			Mutton	190,400
	Western ports			
Martha Bakke	Seattle	Jan. 9	Beef	170,240
Nov. 16	Tacoma	11	Beef	176,960
	Portland	12	Beef	394,240
	Los Angeles	20	Beef	1,464,960
	San Francisco	24	Beef	557,760
Cap Finisterre	Seattle	Dec. 10	Beef	161,280
	Portland	11	Beef	362,880
Nov. 19	San Francisco	13	Beef	613,760
			Mutton	33,600
	Los Angeles	16	Beef	1,397,760
			Mutton	448,000
			Lamb	22,400

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market areas, but meat may be diverted to other areas for sale.
[2] In addition to amounts reported in *Foreign Agriculture*, Dec. 16,1963. [3] To be transshipped.

Japanese Importing More Korean Pork

The Japanese Ministry of Agriculture has allocated foreign exchange for imports of 200 tons of pork and 900 hogs from South Korea. These supplies are expected to arrive at about the end of the year to insure adequate supplies for New Year's celebrations.

Since summer, 4,500 metric tons of U.S. pork have arrived in Japan.

Australia To Improve Meat Packing Plants

The Australian Government is drafting new standards to keep the facilities and practices of slaughterers and meat processors up to U.S. standards. Remodeling and improved practices for meat-packing plants are expected to be costly. However, once these facilities meet U.S. stand-

ards, Australian exporters expect to have no difficulty in shipping to any other country in the world.

Philippine Exports of Copra and Coconut Oil

Recorded copra and coconut oil exports from the Philippine Republic during January-November 1963, on an oil equivalent basis, totaled 731,658 long tons, compared with 610,196 in the corresponding period of 1962—an increase of 20 percent.

PHILIPPINES: REGISTERED EXPORTS OF COPRA AND COCONUT OIL, 1962, JANUARY-NOVEMBER 1962 AND 1963

Country and continent of destination	1962 [1]	January-November 1962 [1]	January-November 1963 [1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	249,594	237,915	225,093
Europe	512,795	464,855	564,533
South America	45,928	43,929	15,920
Japan	14,700	10,700	36,477
Other Asia	—	—	500
Middle East	1,500	1,500	3,250
Total	824,517	758,898	845,773
Coconut oil:			
United States	137,142	123,701	165,074
Canada	800	800	—
Europe	—	—	25,289
Total	137,942	124,501	190,363

[1] Preliminary.

Compiled from monthly data on registered shipments.

Argentine Flaxseed Production Decreases

The first official estimate places Argentina's 1963-64 flaxseed harvest at 29.5 million bushels compared with the first and final estimates for 1962-63—32.7 million and 33.0 million, respectively. Seeded area, at 3.6 million acres, declined 3 percent from last year (*Foreign Agriculture,* Dec. 16, 1963). Moisture conditions in general were excellent throughout the growing season except in the Province of Cordoba, where crop losses apparently have offset gains in other areas. Recent heavy rains probably have delayed the harvest and may have damaged the standing crop.

Japanese Buy Soybeans at Canton Trade Fair

Japanese trading firms at the Canton (South China) trade fair, held during October 15-November 15, purchased 26,000 metric tons (955,000 bu.) of soybeans, according to trade reports. The first shipment of 13,400 tons (492,000 bu.) reportedly was sold for 38 pounds ($106.40) per ton f.o.b. for December-January shipment. The remaining 12,600 tons (463,000 bu.) was sold at £37 4s. ($104.30) per ton f.o.b. for January-March shipments. An additional 25,000 tons (918,000 bu.) is expected to be purchased during the 1964 spring trade fair at Canton.

According to importers, the c.f. price will be approximately $117 per metric ton, based on an estimated freight rate of $7 per ton. The current price of U.S. No. 2 soybeans for March shipment is about $120 per ton c.f. Japan, which includes $13 freight rate per ton from Gulf ports. The drop in prices for Chinese beans is due to the lower oil content and the decrease in freight rates.

The Communist Chinese export sales organization has designated 34 "friendly firms" which can purchase soybeans outside of the 5-year agreement negotiated in 1962 at Peiping. Purchases from China in 1964 are expected to total 300,000 metric tons (11.0 million bu.), including 250,000 tons (9.2 million bu.) under the trade agreement. Purchases in 1963 are estimated at 220,000 tons (8.1 million bu.).

The Japanese trading firms have become very active in purchasing Chinese beans recently owing mainly to an increased oil content this year, less cleanout, and lower prices than U.S. beans.

Mali's Peanut Production Expected To Increase

Mali's commercial peanut production for export from the 1963-64 crop is expected to approximate 45,000-50,000 metric tons, shelled basis. From the 1962-63 crop, 42,000 tons were exported to the following countries: France 14,000 tons; the USSR 11,000; Communist China 6,000; Czechoslovakia 5,000; Bulgaria 1,000; East Germany 2,000; and Poland 3,000 tons.

Thailand's Castorbean Production

Castorbean production in Thailand in 1963 is estimated at about 43,000 short tons, up 4 percent from the 41,335 of 1962. The increase is attributed to favorable prices in the early months of 1963, resulting in part from 1962's record exports.

Since 1959 Thailand has been the world's leading exporter of castorbeans as such. Exports in 1962 totaled a record 59,512 tons, two-thirds more than in 1961. The sharp increase reflected the large carryover from 1960 and 1961 and the low wholesale prices in 1962. Principal markets were Japan (which took nearly 60 percent of the total), the Netherlands, and France.

During January-September 1963, however, a decrease in European demand caused exports to decline to 28,356 tons —43 percent below those of the same period of 1962.

In Thailand castorbeans are produced chiefly for export, and there are no modern crushing mills. The crop is grown mainly on small farms, to provide supplemental and interim cash income to farmers whose principal crops are corn and tobacco. Although output in recent years has trended upward, annual fluctuations, depending largely on price are expected in the future. If agronomic practices were greatly improved, Thailand could produce a substantially larger volume of castorbeans. And the Thai economy would benefit from the establishment of a modern and efficient crushing industry.

Ontario Flue-Cured Auctions Open

Auction sales of 1963 crop flue-cured tobacco in Ontario, Canada, began on November 14. Through Novem-

ber 29, sales totaled 21.2 million pounds at an average price of 51.9 Canadian cents per pound. The average price last season prior to the temporary suspension of sales on November 23 was 48.9 cents.

The average Ontario auction price of all eligible grades of flue-cured tobacco under the deficiency payment program this season through November 29 was 53.5 Canadian cents per pound, or 6.5 cents above the support level of 47 cents for all Canadian flue-cured.

Yugoslav Leaf Tobacco Trade Down

Yugoslavia's trade in leaf tobacco during the first half of 1963 was down from that for the same period last year.

Exports of leaf tobacco totaled 14.1 million pounds—about one-third below the 21.0 million exported in January-June 1962. Smaller shipments to the United States, East Germany, and Egypt accounted for most of the decline and offset larger exports to West Germany and Czechoslovakia. Shipments to the United States dropped from 9.4 million pounds to 2.6 million.

Yugoslavia's imports of leaf tobacco totaled 9.8 million pounds—a decline of 25 percent from the 13.0 million imported during January-June 1962. Reduced imports from Turkey, Greece, and Bulgaria more than offset the rise in imports of Indian leaf, from 537,000 pounds in January-June 1962 to 6.8 million during the first 6 months of 1963. During the first 7 months, India's reported exports of flue-cured to Yugoslavia totaled 10.3 million pounds, compared with 8.4 million for the entire calendar year of 1962.

LEAF: YUGOSLAVIA'S TOBACCO TRADE, JANUARY-JUNE, 1962 AND 1963

Country of origin or destination	January-June			
	Yugoslav exports		Yugoslav imports	
	1962	1963	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Poland	3,969	3,971	——	——
United States	9,424	2,640	——	——
Germany, East	3,354	2,436	——	——
Italy	2,031	2,205	——	——
Czechoslovakia	——	1,372	——	——
Germany, West	192	407	——	——
Egypt	970	220	——	——
Greece	——	——	4,830	1,340
Turkey	——	——	5,770	1,641
India	——	——	537	6,798
Bulgaria	——	——	1,866	——
Others	1,073	810	——	——
Total	21,013	14,061	13,003	9,779

Statistika Spoljne Trgovine SFR Jugoslavije, September 1963.

Turkish Tobacco Exports Drop Sharply

Turkey's exports of unmanufactured tobacco during the first 8 months of 1963 totaled 76.6 million pounds—down sharply from the 148.7 million shipped abroad during the same period last year. The decline is attributed to the below-normal harvests of 1961 and 1962.

Shipments to the United States, the major export market, dropped from 72.1 million pounds to 31.1 million. Other countries reducing their takings of Turkish leaf, with comparisons for the January-August 1962 period in parentheses, included: West Germany, 8.3 million pounds (17.2 million). Italy, none (20.5 million); Yugoslavia, none (6.1 million); Belgium, 900,000 (2.4 million); France, 1.5 million (3.1 million); Hungary, 500,000 (4.0 million); Czechoslovakia, 2.2 million (8.1 million); and Switzerland, 1.9 million (2.7 million). However, exports to the USSR, East Germany, Finland, Israel, and Poland were slightly larger than those for the same period last year.

Average export prices per pound of leaf tobacco shipped to major destinations in terms of U.S. equivalents were: The United States, 73.0 cents; West Germany, 63.2; East Germany, 76.5; Belgium, 60.0; Finland, 68.2; France, 45.5; Switzerland, 77.9; Hungary, 53.1; Poland, 80.2; Czechoslovakia, 69.4; and the USSR, 60.3. The average export price for all shipments was equivalent to U.S. 68.5 cents.

Greece Harvests Record Tobacco Crop

Latest estimates by the National Tobacco Board place Greece's 1963 production of oriental tobacco at a record 257 million pounds—up 25 percent from the 205 million harvested in 1962. Plantings of oriental tobacco rose to 371,000 acres from 306,000 in 1962. Total area in 1963 is also the largest ever planted in Greece. This, together with only minor losses from blue-mold disease, resulted in the record crop.

Preliminary estimates place the 1963 crop of burley tobacco (for export only) at about 3.6 million pounds compared with 1.2 million in 1962. Production goals for 1964 call for a crop of about 5.5 million pounds of burley tobacco, from plantings of around 3,000 acres; 2,000 acres were planted in 1963. To encourage this expansion in burley production, the National Tobacco Organization has recommended to the government that subsidies for the erection of drying facilities be continued; that cultivation licenses be granted only to growers who provide evidence that their entire crop has been contracted for by export buyers; that technical instructions for cultivation be strictly observed; and that penalties be imposed on growers who do not observe cultivation practices recommended by the National Tobacco Organization.

Chilean Onion Prospects Poor

Preliminary estimates of the 1963-64 Chilean onion acreage set plantings at about 10,400 acres—about 14 percent below last season's. Early estimates indicate that production will be about 2.2 million hundredweight, or 25 percent smaller than last year's crop.

Heavy rainfall, low temperatures, and high humidity have greatly affected the crop. Harvesting of the export crop, which usually starts in January, will probably be delayed several weeks, and onion sizes will average below normal.

For 1963, the Chilean Government established an export quota of 660,000 hundredweight. No such quota has yet been set for 1964, but the trade estimates that the

quota will be 440,000 hundredweight. Quotas are imposed to ensure adequate supplies for the domestic market.

Exports for 1962 totaled 670,000 hundredweight, of which 44 percent went to the United Kingdom, 25 percent to the United States, and 15 percent to Canada. During the first 6 months of 1963, the United Kingdom imported 453,000 hundredweight of Chilean onions; Canada, 50,400; and the United States, 27,500.

Canned Fruit and Juice Prices in Netherlands

Importers' selling prices in the Netherlands for selected canned fruit and juices in October 1962 and July and October 1963 are compared as follows:

Type and quality	Size of can	Price per dozen units: October 1962	July 1963	October 1963	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Halves, choice	8 oz.	1.96	1.96	1.96	U.S.
Halves, choice	303	(1)	2.98	2.75	U.S.
Halves, choice	2½	4.14	(1)	3.88	Greece
Halves, choice	2½	(1)	(1)	3.81	S. Africa
Peaches:					
Halves, choice	2½	3.98	4.11	4.31	U.S.
Halves, white	2½	(1)	5.30	5.57	Japan
Slices, standard	15½ oz.	(1)	2.32	2.35	S. Africa
Fruit cocktail:					
Choice	2½	4.38	4.94	5.44	U.S.
Choice	303	2.88	3.02	3.25	U.S.
Pears:					
Halves, standard	303	2.35	2.49	2.49	U.S.
Mandarin oranges:					
Fancy, small	11 oz.	2.59	2.65	2.78	Japan
Pineapple:					
Sliced, fancy	2½	4.44	4.48	4.71	U.S.
Sliced, choice	2½	4.28	4.18	(1)	U.S.
Sliced standard	2½	4.01	3.81	4.14	U.S.
Pieces	20 oz.	2.35	2.32	2.32	Taiwan
CANNED JUICE					
Orange, unsweetened	2	2.06	2.65	2.65	U.S.
Orange, unsweetened	2	(1)	2.32	2.32	Greece
Grapefruit sweetened	2	(1)	2.32	2.15	U.S.
Grapefruit sweetened	46 oz.	(1)	5.14	5.47	U.S.
Pineapple, fancy	2	2.32	(1)	1.96	U.S.

[1] Not quoted.

West German Import Tender on Asparagus

West Germany has announced an import tender for canned asparagus (spears or tips only), allowing imports from the following countries: The United States, Australia, Japan, Canada, Peru, and Taiwan. Applications for import licenses may be submitted until the exhaustion of the unpublished value limit, but not later than March 25, 1964, and will be valid until March 31, 1964. The first day of customs clearance is January 1, 1964.

Canada's 1963 Onion Acreage Up

Preliminary official estimates of the commercial onion acreage in Canada indicate that 1963 plantings were 13 percent higher than in 1962. Acreages are up in all provinces. The largest increase was in Ontario—the most important onion exporter. Its plantings are estimated at 5,260 acres, up 22 percent from 1962.

The 1962 onion crop is estimated at 2.28 million hundred weight, 64 percent larger than the 1957-61 average. Official production estimates for 1963 are not available. However, above-average yields in Ontario and British Columbia, plus the larger acreages, would indicate an even larger crop than the huge one of last year.

West German Import Tenders on Peas, Beans

The Federal Republic of Germany has announced import tenders on canned green peas and canned string beans.

Import licenses for canned peas may be applied for, starting immediately, until the undisclosed value limit of the tender is reached but not later than March 25, 1964. The last day of customs clearance is March 31, 1964.

Licenses for canned string beans may be applied for without stating values or quantities and will be valid for 21 days after date of issuance. The last day of custom clearance is March 31, 1964.

Canada Produces More Honey

The 1963 Canadian honey crop is estimated by the Dominion Bureau of Statistics at 42.3 million pounds—38 percent above the 1962 crop of 30.7 million and the largest crop since 1948, when 45.2 million pounds were produced.

This year's sharp production gain was brought about by increases of 6 percent in colony numbers and 31 percent in the average yield per colony.

Honey production was higher in all provinces except Ontario. The largest increase occurred in Alberta, which became the largest producing province. Canada has been exporting about 3.5 million pounds of honey annually.

Syrian Cotton Crop Smalle

The 1963-64 cotton crop in Syria is now estimated at 655,000 bales (500 lb. gross). Production is down 5 percent from the record 689,000-bale outturn in 1962-63, but well above the annual average production of 532,000 bales for the past 5 seasons.

The smaller crop resulted when floods during and after planting time destroyed acreage. Reportedly, however, insect damage to this year's crop is smaller than during the 1962-63 season. The area harvested in 1963-64 is placed at around 721,000 acres, against 747,000 acres last season. Cotton acreage grown under irrigation continues to increase, reaching 549,000 acres in 1963-64.

Exports of cotton from Syria during the 1962-63 crop year amounted to 614,000 bales. Quantities exported to principal destinations from August 1962 through July 1963, with comparable 1961-62 figures in parentheses, were: France 125,000 bales (73,000); Mainland China 78,000 (34,000); Rumania 77,000 (50,000); USSR 62,000 (29,000); Italy 60,000 (21,000); Portugal 41,000 (33,000); Lebanon 27,000 (25,000); Czechoslovakia 27,000 (35,000); West Germany 26,000 (19,000); Poland 25,000 (30,000); Hungary 14,000 (0); and Belgium 11,000 (4,000).

Takings by Communist countries increased substantially during the 1962-63 season. Syria shipped 289,000 bales

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or nearly half of its total exports to that group in 1962-63, compared with 253,000 bales in the 1961-62 season.

Cotton consumption in Syria this season will likely be considerably above the 77,000 bales used in 1962-63, because of newly established mills, higher prices for finished textiles, and increased demand for yarns. Ending stocks on July 31, 1963, were 68,000 bales.

Prices of Syrian cotton in import markets have strengthened in recent weeks. Brisk shipments reduced exportable supplies and rains at harvesttime lowered the grade of the remaining crop. On November 21, Syrian SM 1-1/16 inch cotton was quoted at 29.26 U.S. cents per pound, c.i.f. Liverpool, while M 1-1/16 inch was 28.33. Comparable qualities of U.S. cotton were offered at 28.80 and 27.81 cents, respectively.

Portugal Exports Instant Coffee

The first large shipments of instant coffee reportedly were exported from Portugal early in November. The green coffee is imported from Angola and all of the processing is carried out at a factory near Lisbon.

Portugal hopes to earn a considerable quantity of foreign exchange through sales of instant coffee especially to the United States, which already is a major buyer of green coffee from Angola.

U.A.R. Plans Sugar Expansion

The United Arab Republic (Egypt) has undertaken to expand its annual output of sugar to 1 million metric tons by the end of 1968. This program is being carried out under the second 5-Year Plan.

To facilitate the attainment of this goal, existing refining plants are being enlarged, and three new ones are to be constructed. During the crop year 1963-64 it is estimated that the country's sugar output will be 410,000 tons—an alltime high.

The government believes that this increased output would provide an annual exportable surplus of 300,000 tons by 1968.

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